

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: "Special" Meeting of the Board of Public Utilities
Date of Meeting: July 11, 2008
Time of Meeting: 7:30 a.m. (began at 7:35 a.m.)
Place of Meeting: Public Utilities Boardroom
3901 Orange Street (at Ninth & Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Dave Barnhart (Chair) Mary Curtin
Ken Sutter Bernie Titus
Ian Davidson Manny Sanchez
Joe Tavaglione
Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

Assistant City Manager Michael Beck was not attendance.

MINUTES

1. The minutes from the regular Board of Public Utilities meeting and public hearing on June 20, 2008 were approved as submitted.

Motion – Tavaglione. Second – Titus.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

CITIZENS PARTICIPATION

None.

COMMITTEE REPORTS

2. WATER COMMITTEE MEETING

The Board of Public Utilities accepted and filed the June 20, 2008 Water Committee Minutes.

3. FINANCE/MARKETING COMMITTEE MEETING

The Board of Public Utilities accepted and filed the June 27, 2008 Finance/Marketing Committee Minutes.

4. ELECTRIC COMMITTEE MEETING

The Board of Public Utilities accepted and filed the July 9, 2008 Electric Committee Minutes.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 10, **CONSTRUCTION OF HAWARDEN DRIVE LANDSCAPING ALONG GAGE CANAL, CONTRACTOR PANEL BID NO. 1033-08-06**, which was DEFERRED to a future Board meeting:

Motion – Curtin. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None.

Abstain: Ian Davidson – Abstained Only Item 5.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

ELECTRIC ITEMS

5. 9TH STREET IMPROVEMENT PLAN, STREET LIGHTING FROM MARKET STREET TO ORANGE STREET - WORK ORDER NO. 070006-17

The Board of Public Utilities approved the estimated capital expenditure of \$90,000 to install 13 Raincross Street Lights along 9th Street between Market and Orange Streets.

Motion – Curtin. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Sanchez, and Tavaglione.

Noes: None.

Abstain: Ian Davidson – Abstained Item 5 Only.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

6. UNDERGROUND ELECTRIC LINE EXTENSION
MAIN AND GARNER BUSINESS PARK - WORK ORDER NO. 080003-61

The Board of Public Utilities approved the estimated capital expenditure of \$260,000 to install an underground electric line extension to serve six new commercial buildings located between Garner Road and Alamo Street, easterly of Main Street.

7. INSTALLATION OF 11 NEW STREETLIGHTS ALONG NORWOOD AVENUE AND MITCHELL AVENUE - WORK ORDER NO. 080006-01

The Board of Public Utilities approved the estimated capital expenditure of \$52,537 to install 11 new streetlight standards along Norwood and Mitchell Avenues.

8. CABLE REPLACEMENT – NORTHPOINT APARTMENTS ON MONTGOMERY STREET AT PHILBIN AVENUE – WORK ORDER NO. 080020-07

The Board of Public Utilities approved the estimated capital expenditure of \$65,000 to replace 1,000 feet of deteriorated 15 kV underground cable and conduit, located at the Northpoint Apartments along Montgomery Street and Philbin Avenue.

9. CABLE REPLACEMENT - MAGNOLIA CIRCUIT 44
WORK ORDER NO. 080020-10

The Board of Public Utilities approved the estimated capital expenditure of \$85,000 to replace failed 5 kV cable, restore Magnolia Circuit 44 and reconfigure existing circuitry on and adjacent to Central Avenue.

WATER ITEMS

10. CONSTRUCTION OF HAWARDEN DRIVE LANDSCAPING ALONG GAGE CANAL, CONTRACTOR PANEL BID NO. 1033-08-06

This item was **DEFERRED** to a future Board meeting requested by Chairman Barnhart as he had received an email on July 10 from Rick Drobek, a resident on Hawarden Drive, suggesting that some community outreach be done to obtain input from residents in the surrounding area before a decision is made regarding this project.

11. INCREASE WORK ORDER AMOUNT FOR CONSTRUCTION OF JURUPA AVENUE UNDERPASS 12-INCH WATER MAIN RELOCATION PROJECT (PHASE I)

The Board of Public Utilities authorized an increase of \$59,000 in Work Order No. 0701612 for the construction of Jurupa Avenue Underpass 12-inch Water Main Replacement Project.

OTHER ITEMS

12. CANCELLATION OF JULY 18TH BOARD MEETING

The Board of Public Utilities cancelled the regularly scheduled July 18, 2008 Board meeting, unless there is a need to meet.

DISCUSSION CALENDAR

13. INSTALLATION OF NEW CIRCUIT 1536 AND 1538 AT ORANGECREST SUBSTATION AND ROUTE PLANNING FOR THREE FUTURE CIRCUITS - WORK ORDER NO. 070018-01

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$2,960,000 to install approximately 29,000 feet of 3 phase 12 kV feeder cable and 65,650 feet of conduit out of the Orangecrest Substation. This work is for new and future circuits to serve the Orangecrest service territory.

Motion – Tavaglione. Second – Sutter.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

14. APPROVAL TO PROCURE ONE POWER DISTRIBUTION CENTER (PDC) SWITCHGEAR BUILDING AND ASSOCIATED SWITCHGEAR FOR RIVERSIDE ENERGY RESOURCE CENTER UNITS 3 AND 4

Following discussion, the Board of Public Utilities:

1. Approved the procurement of one Power Distribution Center (PDC) switchgear building and associated switchgear from Meyers Power Products in the amount of \$2,682,170 plus sales tax; and
2. Approved purchase of spare parts for the above PDC in the amount of \$83,139.

Motion – Curtin. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

15. APPROVAL OF INCREASED CHANGE ORDER AUTHORITY AND WORK ORDER AMOUNT FOR THE PROPOSED SUB-TRANSMISSION PROJECT (STP) AND RIVERSIDE TRANSMISSION RELIABILITY PROJECT (RTRP)

Following discussion, the Board of Public Utilities:

1. Approved an increase in change order authority associated with the Agreement for Professional Consultant Services with Power Engineers, Inc., dated November 15, 2006 for Riverside Transmission Reliability Project (RTRP), from 10 percent to 15 percent; and

2. Approved an increase in Work Order No. 050009-01 from \$15,027,603 to \$16,627,603.

Motion – Tavaglione. Second – Curtin.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

16. APPROVAL TO PURCHASE PM 10 OFFSET CREDITS AND AUTHORIZATION TO PURCHASE ADDITIONAL OFFSET CREDITS AS NEEDED FOR THE RIVERSIDE ENERGY RESOURCE CENTER (RERC) UNITS 3 AND 4 GENERATION PROJECT

Following discussion, the Board of Public Utilities:

1. Approved the purchase of two pounds of PM 10 Environmental Offset Credits through Evolution Markets for \$95,000 per pound; and
2. Authorized the purchase of additional Environmental Offset Credits as they become available.

Motion – Sutter. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

17. A SURPLUS PROPERTY DECLARATION AND DISPOSITION OF 6,816 SQUARE FEET UTILITY PROPERTY ALONG CENTRAL AVENUE IN THE CITY OF SAN BERNARDINO FOR USE BY THE INLAND VALLEY DEVELOPMENT AGENCY FOR STREET AND HIGHWAY PURPOSES

Following discussion, the Board of Public Utilities considered and recommended that the City Council:

1. Declare the Property as surplus to the current and anticipated needs of the Utility; and
2. Authorize the City Manager, or his designee, to execute the attached Purchase and Sale Agreement, and related documents transferring the Property from the City to the Inland Valley Development Agency ("IVDA") for their Central Avenue Improvement Project, in the City of San Bernardino.

Motion – Davidson. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

18. FISCAL YEAR 2007-08 POWER SUPPLY AND ESTIMATED REVENUE BUDGET
ADJUSTMENT - SUPPLEMENTAL APPROPRIATION

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve an increase in estimated revenues of \$9.0 million for wholesale sales revenue; and
2. Approve a supplemental appropriation of \$9.0 million to the Utility's Power Supply budget.

Motion – Tavaglione. Second – Titus.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

19. LOW INCOME ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE'S
ENERGY (SHARE) PROGRAM CONTRACT AMENDMENT

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve a seventh amendment to the SHARE contract with the County of Riverside to continue the SHARE program for one additional year; and
2. Grant the City Manager, or his designee, the authority to approve payments up to 25 percent above the SHARE contract amount if allocated funds are depleted before the contract term ends.

Motion – Titus. Second – Curtin.

Ayes: Barnhart, Curtin, Sutter, Titus, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)

20. ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS
REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES

None.

GENERAL MANAGER'S REPORT

21. State and Federal Legislative Update
22. Renaissance Geothermal Update
General Manager Dave Wright distributed handouts showing the renewable portfolio standard updates for the Renaissance Geothermal Project in northern Utah. Mr. Wright praised Assistant General Manager/Resources Gary Nolff and his staff for the efforts related to this project as it will enable Riverside Public Utilities to reach a 33% renewable standard by Year 2011.
23. Financial Statements - May 2008
24. Monthly Power Supply Report - May 2008
25. Monthly Update of Goals
26. City Council Agendas - June 17, 2008 and June 24, 2008
27. Upcoming Meetings
28. Systematic Reporting on Conferences/Seminars
29. Electric / Water Utility Acronyms

There was a 5 minute break and the workshop began at 8:15 am.

WORKSHOP

30. RIVERSIDE PUBLIC UTILITIES BOARD STRATEGIC PLANNING RETREAT

The Board of Public Utilities provided input and received and filed this report – the workshop was facilitated by Marilyn Snider.

Bob Stockton (absence due to vacation)
Robert Elliott (arrived at 10:00 a.m.)
Joe Tavaglione (left at 10:00 a.m.)
Dave Barnhart (left at 10:00 a.m.)

UPCOMING MEETING

Chairman Dave Barnhart adjourned the meeting at 11:30 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, August 1, 2008, at 8:30 a.m.** in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: 

David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: August 1, 2008